

113TH CONGRESS  
1ST SESSION

# H. R. 1364

To amend the Internal Revenue Code of 1986 to encourage alternative energy investments and job creation, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 21, 2013

Mr. LARSON of Connecticut introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce and Science, Space, and Technology, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Internal Revenue Code of 1986 to encourage alternative energy investments and job creation, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-  
2 tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE, ETC.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5     “New Alternative Transportation to Give Americans Solu-  
6     tions Act of 2013”.

7       (b) AMENDMENT OF 1986 CODE.—Except as other-  
8     wise expressly provided, whenever in this Act an amend-

1 ment or repeal is expressed in terms of an amendment  
 2 to, or repeal of, a section or other provision, the reference  
 3 shall be considered to be made to a section or other provi-  
 4 sion of the Internal Revenue Code of 1986.

5       (c) TABLE OF CONTENTS.—The table of contents for  
 6 this Act is as follows:

Sec. 1. Short title, etc.

**TITLE I—PROMOTE THE PURCHASE AND USE OF NGVS WITH AN EMPHASIS ON HEAVY-DUTY VEHICLES AND FLEET VEHICLES**

- Sec. 101. Modification of alternative fuel credit.
- Sec. 102. Extension and modification of new qualified alternative fuel motor vehicle credit.
- Sec. 103. Allowance of vehicle and infrastructure credits against regular and minimum tax and transferability of credits.
- Sec. 104. Modification of credit for purchase of vehicles fueled by compressed natural gas or liquefied natural gas.
- Sec. 105. Modification of definition of new qualified alternative fuel motor vehicle.
- Sec. 106. Providing for the treatment of property purchased by Indian tribal governments.

**TITLE II—PROMOTE PRODUCTION OF NGVS BY ORIGINAL EQUIPMENT MANUFACTURERS**

- Sec. 201. Credit for producing vehicles fueled by natural gas or liquified natural gas.
- Sec. 202. Amendment to section 136 of the Energy Security and Independence Act of 2007.

**TITLE III—INCENTIVIZE THE INSTALLATION OF NATURAL GAS FUEL PUMPS**

- Sec. 301. Extension and modification of alternative fuel vehicle refueling property credit.
- Sec. 302. Increase in credit for certain alternative fuel vehicle refueling properties.

**TITLE IV—NATURAL GAS VEHICLES**

- Sec. 401. Grants for natural gas vehicles research and development.
- Sec. 402. Sense of the Congress regarding EPA certification of NGV retrofit kits.
- Sec. 403. Sense of the Congress regarding EPA and NHTSA regulation of medium- and heavy-duty engines and vehicles.
- Sec. 404. Amendment to section 508 of the Energy Policy Act of 1992.

1     **TITLE I—PROMOTE THE PUR-**  
2     **CHASE AND USE OF NGVS**  
3     **WITH AN EMPHASIS ON**  
4     **HEAVY-DUTY VEHICLES AND**  
5     **FLEET VEHICLES**

6     **SEC. 101. MODIFICATION OF ALTERNATIVE FUEL CREDIT.**

7         (a) ALTERNATIVE FUEL CREDIT.—Paragraph (5) of  
8 section 6426(d) (relating to alternative fuel credit) is  
9 amended by inserting “, and December 31, 2018, in the  
10 case of any sale or use involving compressed or liquefied  
11 natural gas” after “hydrogen”.

12         (b) ALTERNATIVE FUEL MIXTURE CREDIT.—Para-  
13 graph (3) of section 6426(e) is amended by inserting “,  
14 and December 31, 2018, in the case of any sale or use  
15 involving compressed or liquefied natural gas” after “hy-  
16 drogen”.

17         (c) PAYMENTS RELATING TO ALTERNATIVE FUEL OR  
18 ALTERNATIVE FUEL MIXTURES.—Paragraph (6) of sec-  
19 tion 6427(e) is amended—

20             (1) in subparagraph (C)—  
21                     (A) by striking “subparagraph (D)” and  
22                     inserting “subparagraphs (D) and (E)”, and  
23                     (B) by striking “and” at the end thereof,  
24             (2) by striking the period at the end of sub-  
25             paragraph (D) and inserting “, and”, and

1                             (3) by inserting at the end the following:

2                             “(E) any alternative fuel or alternative fuel  
3                             mixture (as so defined) involving compressed or  
4                             liquefied natural gas sold or used after Decem-  
5                             ber 31, 2018.”.

6                             (d) PAYMENTS RELATING TO INDIAN TRIBES.—Sub-  
7                             paragraph (1) of section 6427(k)(1) is amended by insert-  
8                             ing striking “or” at the end and inserting “an Indian  
9                             Tribal Government, or”.

10                           (e) EFFECTIVE DATE.—The amendments made by  
11                             this section shall apply to fuel sold or used after the date  
12                             of the enactment of this Act.

13                             **SEC. 102. EXTENSION AND MODIFICATION OF NEW QUALI-**  
14                             **FIED ALTERNATIVE FUEL MOTOR VEHICLE**  
15                             **CREDIT.**

16                           (a) IN GENERAL.—Paragraph (4) of section 30B(k)  
17                             (relating to termination) is amended by inserting “(De-  
18                             cember 31, 2018, in the case of a vehicle powered by com-  
19                             pressed or liquefied natural gas)” before the period at the  
20                             end.

21                           (b) EFFECTIVE DATE.—The amendment made by  
22                             subsection (a) shall apply to property placed in service  
23                             after the date of the enactment of this Act.

1     **SEC. 103. ALLOWANCE OF VEHICLE AND INFRASTRUCTURE**

2                 **CREDITS AGAINST REGULAR AND MINIMUM**

3                 **TAX AND TRANSFERABILITY OF CREDITS.**

4         (a) BUSINESS CREDITS.—Subparagraph (B) of sec-  
5     tion 38(c)(4) is amended by striking “and” at the end of  
6     clause (viii), by striking the period at the end of clause  
7     (ix) and inserting a comma, and by inserting after clause  
8     (ix) the following new clauses:

9                     “(x) the portion of the credit deter-  
10         mined under section 30B which is attrib-  
11         utable to the application of subsection  
12         (e)(3) thereof with respect to new qualified  
13         alternative fuel motor vehicles which are  
14         capable of being powered by compressed or  
15         liquefied natural gas, and

16                     “(xi) the portion of the credit deter-  
17         mined under section 30C which is attrib-  
18         utable to the application of subsection (b)  
19         thereof with respect to refueling property  
20         which is used to store and or dispense  
21         compressed or liquefied natural gas.”.

22         (b) PERSONAL CREDITS.—

23                 (1) NEW QUALIFIED ALTERNATIVE FUEL  
24         MOTOR VEHICLES.—Subsection (g) of section 30B is  
25         amended by adding at the end the following new  
26         paragraph:

1                 “(3) SPECIAL RULE RELATING TO CERTAIN  
2         NEW QUALIFIED ALTERNATIVE FUEL MOTOR VEHIC-  
3         CLES.—In the case of the portion of the credit deter-  
4         mined under subsection (a) which is attributable to  
5         the application of subsection (e)(3) with respect to  
6         new qualified alternative fuel motor vehicles which  
7         are capable of being powered by compressed or liq-  
8         uefied natural gas—

9                 “(A) paragraph (2) shall (after the appli-  
10         cation of paragraph (1)) be applied separately  
11         with respect to such portion, and

12                 “(B) in lieu of the limitation determined  
13         under paragraph (2), such limitation shall not  
14         exceed the excess (if any) of—

15                 “(i) the sum of the regular tax liabil-  
16         ity (as defined in section 26(b)) plus the  
17         tentative minimum tax for the taxable  
18         year, reduced by

19                 “(ii) the sum of the credits allowable  
20         under subpart A and sections 27 and 30.”.

21                 (2) ALTERNATIVE FUEL VEHICLE REFUELING  
22         PROPERTIES.—Subsection (d) of section 30C is  
23         amended by adding at the end the following new  
24         paragraph:

1                 “(3) SPECIAL RULE RELATING TO CERTAIN AL-  
2                 TERNATIVE FUEL VEHICLE REFUELING PROP-  
3                 ERTIES.—In the case of the portion of the credit de-  
4                 termined under subsection (a) with respect to refuel-  
5                 ing property which is used to store and or dispense  
6                 compressed or liquefied natural gas and which is at-  
7                 tributable to the application of subsection (b)—

8                     “(A) paragraph (2) shall (after the appli-  
9                 cation of paragraph (1)) be applied separately  
10                 with respect to such portion, and

11                     “(B) in lieu of the limitation determined  
12                 under paragraph (2), such limitation shall not  
13                 exceed the excess (if any) of—

14                     “(i) the sum of the regular tax liabil-  
15                 ity (as defined in section 26(b)) plus the  
16                 tentative minimum tax for the taxable  
17                 year, reduced by

18                     “(ii) the sum of the credits allowable  
19                 under subpart A and sections 27, 30, and  
20                 the portion of the credit determined under  
21                 section 30B which is attributable to the  
22                 application of subsection (e)(3) thereof.”.

23                 (c) CREDITS MAY BE TRANSFERRED.—

1                             (1) VEHICLE CREDITS.—Subsection (h) of sec-  
2                             tion 30B is amended by adding at the end the fol-  
3                             lowing new paragraph:

4                             “(11) TRANSFERABILITY OF CREDIT.—

5                             “(A) IN GENERAL.—Except as provided in  
6                             subparagraph (B), a taxpayer who places in  
7                             service any new qualified alternative fuel motor  
8                             vehicle which is capable of being powered by  
9                             compressed or liquefied natural gas may trans-  
10                            fer the credit allowed under this section by rea-  
11                            son of subsection (e) with respect to such vehi-  
12                            cle through an assignment to the manufacturer,  
13                            seller or lessee of such vehicle. Such transfer  
14                            may be revoked only with the consent of the  
15                            Secretary.

16                             “(B) DENIAL OF DOUBLE BENEFIT.—No  
17                             assignment of a credit allowed under this sec-  
18                             tion by reason of subsection (e) with respect to  
19                             any new qualified alternative fuel motor vehicle  
20                             which is capable of being powered by com-  
21                             pressed or liquefied natural gas may be made  
22                             under subparagraph (A) to a taxpayer who has  
23                             claimed a credit under section 54G with respect  
24                             to the financing of such vehicle.

1                 “(C) REGULATIONS.—The Secretary shall  
2 prescribe such regulations as necessary to en-  
3 sure that any credit transferred under subpara-  
4 graph (A) is claimed once and not reassigned  
5 by such other person.”.

6                 (2) INFRASTRUCTURE CREDIT.—Subsection (e)  
7 of section 30C is amended by adding at the end the  
8 following new paragraph:

9                 “(7) TRANSFERABILITY OF CREDIT.—

10                 “(A) IN GENERAL.—Except as provided in  
11 subparagraph (B), a taxpayer who places in  
12 service any qualified alternative fuel vehicle re-  
13 fueling property relating to compressed or lique-  
14 fied natural gas may transfer the credit allowed  
15 under this section with respect to such property  
16 through an assignment to the manufacturer,  
17 seller or lessee of such property. Such transfer  
18 may be revoked only with the consent of the  
19 Secretary.

20                 “(B) DENIAL OF DOUBLE BENEFIT.—No  
21 assignment of a credit allowed under this sec-  
22 tion by reason of subsection (e) with respect to  
23 any qualified alternative fuel vehicle refueling  
24 property relating to compressed or liquefied  
25 natural gas may be made under subparagraph

1                         (A) to a taxpayer who has claimed a credit  
2                         under section 54G with respect to the financing  
3                         of such property.

4                         “(C) REGULATIONS.—The Secretary shall  
5                         prescribe such regulations as necessary to en-  
6                         sure that any credit transferred under subpara-  
7                         graph (A) is claimed once and not reassigned  
8                         by such other person.”.

9                         (d) EFFECTIVE DATE.—The amendments made by  
10                         this section shall apply with respect to property placed in  
11                         service after the date of the enactment of this Act.

12                         **SEC. 104. MODIFICATION OF CREDIT FOR PURCHASE OF**  
13                         **VEHICLES FUELED BY COMPRESSED NAT-**  
14                         **URAL GAS OR LIQUEFIED NATURAL GAS.**

15                         (a) INCREASE IN CREDIT.—Paragraph (2) of section  
16                         30B(e) (relating to applicable percentage) is amended to  
17                         read as follows:

18                         “(2) APPLICABLE PERCENTAGE.—For purposes  
19                         of paragraph (1), the applicable percentage with re-  
20                         spect to any new qualified alternative fuel motor ve-  
21                         hicle is—

22                         “(A) except as provided in subparagraphs  
23                         (B) and (C)—

24                         “(i) 50 percent, plus

25                         “(ii) 30 percent, if such vehicle—

1                 “(I) has received a certificate of  
2                 conformity under the Clean Air Act  
3                 and meets or exceeds the most strin-  
4                 gent standard available for certifi-  
5                 cation under the Clean Air Act for  
6                 that make and model year vehicle  
7                 (other than a zero emission standard),  
8                 or

9                 “(II) has received an order certi-  
10                 fying the vehicle as meeting the same  
11                 requirements as vehicles which may be  
12                 sold or leased in California and meets  
13                 or exceeds the most stringent stand-  
14                 ard available for certification under  
15                 the State laws of California (enacted  
16                 in accordance with a waiver granted  
17                 under section 209(b) of the Clean Air  
18                 Act) for that make and model year ve-  
19                 hicle (other than a zero emission  
20                 standard),

21                 “(B) 80 percent, in the case of dedicated  
22                 vehicles that are only capable of operating on  
23                 compressed or liquefied natural gas, dual-fuel  
24                 vehicles that are only capable of operating on a  
25                 mixture of no less than 90 percent compressed

1           or liquefied natural gas, and a bi-fuel vehicle  
2           that is capable of operating a minimum of 85  
3           percent of its total range on compressed or liq-  
4           uefied natural gas, and

5           “(C) 50 percent, in the case of vehicles de-  
6           scribed subclause (II) or (III) of subsection  
7           (e)(4)(A)(i) and which are not otherwise de-  
8           scribed in subparagraph (B).

9           For purposes of the preceding sentence, in the case  
10          of any new qualified alternative fuel motor vehicle  
11          which weighs more than 14,000 pounds gross vehicle  
12          weight rating, the most stringent standard available  
13          shall be such standard available for certification on  
14          the date of the enactment of the Energy Tax Incen-  
15          tives Act of 2005.”.

16           (b) INCREASED INCENTIVE FOR NATURAL GAS VEHICLES.—Subsection (e) of section 30B (relating to new  
17          qualified alternative fuel motor vehicle credit) is amended  
18          by adding at the end the following new paragraph:

19           “(6) CREDIT VALUES FOR NATURAL GAS VEHICLES.—In the case of new qualified alternative fuel  
20          motor vehicles with respect to vehicles powered by  
21          compressed or liquefied natural gas, the maximum  
22          tax credit value shall be—  
23  
24

1               “(A) \$7,500 if such vehicle has a gross ve-  
2               hicle weight rating of not more than 8,500  
3               pounds,

4               “(B) \$16,000 if such vehicle has a gross  
5               vehicle weight rating of more than 8,500  
6               pounds but not more than 14,000 pounds,

7               “(C) \$40,000 if such vehicle has a gross  
8               vehicle weight rating of more than 14,000  
9               pounds but not more than 26,000 pounds, and

10             “(D) \$64,000 if such vehicle has a gross  
11              vehicle weight rating of more than 26,000  
12              pounds.”.

13              (c) EFFECTIVE DATE.—The amendment made by  
14 this section shall apply to property placed in service after  
15 the date of the enactment of this Act.

16 **SEC. 105. MODIFICATION OF DEFINITION OF NEW QUALI-**  
17 **FIED ALTERNATIVE FUEL MOTOR VEHICLE.**

18              (a) IN GENERAL.—Clause (i) of section 30B(e)(4)(A)  
19 (relating to definition of new qualified alternative fuel  
20 motor vehicle) is amended to read as follows:

21               “(i) which—

22               “(I) is a dedicated vehicle that is  
23               only capable of operating on an alter-  
24               native fuel,

1                         “(II) is a bi-fuel vehicle that is  
2                         capable of operating on compressed or  
3                         liquefied natural gas and gasoline or  
4                         diesel fuel, or

5                         “(III) is a duel-fuel vehicle that  
6                         is capable of operating on a mixture  
7                         of compressed or liquefied natural gas  
8                         and gasoline or diesel fuel.”.

9                         (b) CONVERSIONS AND REPOWERS.—Paragraph (4)  
10                         of section 30B(e) is amended by adding at the end the  
11                         following new subparagraph:

12                         “(C) CONVERSIONS AND REPOWERS.—

13                         “(i) IN GENERAL.—The term ‘new  
14                         qualified alternative fuel motor vehicle’ in-  
15                         cludes the conversion or repower of a new  
16                         or used vehicle so that it is capable of op-  
17                         erating on an alternative fuel as it was not  
18                         previously capable of operating on an alter-  
19                         native fuel.

20                         “(ii) TREATMENT AS NEW.—A vehicle  
21                         which has been converted to operate on an  
22                         alternative fuel shall be treated as new on  
23                         the date of such conversion for purposes of  
24                         this section.

1                     “(iii) RULE OF CONSTRUCTION.—In  
2                     the case of a used vehicle which is con-  
3                     verted or repowered, nothing in this section  
4                     shall be construed to require that the  
5                     motor vehicle be acquired in the year the  
6                     credit is claimed under this section with re-  
7                     spect to such vehicle.”.

8                 (c) EFFECTIVE DATE.—The amendments made by  
9     this section shall apply to property placed in service after  
10   the date of the enactment of this Act.

11   **SEC. 106. PROVIDING FOR THE TREATMENT OF PROPERTY**  
12                     **PURCHASED BY INDIAN TRIBAL GOVERN-**  
13                     **MENTS.**

14         (a) IN GENERAL.—Paragraph (6) of section 30B(h)  
15     and paragraph (2) of section 30C(e) are both amended  
16     by inserting “, or whose use is by an Indian Tribal Gov-  
17     ernment,” after “section 50(b)”.

18         (b) EFFECTIVE DATE.—The amendments made by  
19     this section shall apply to property placed in service after  
20   the date of the enactment of this Act.

1   **TITLE II—PROMOTE PRODUC-**  
2   **TION OF NGVS BY ORIGINAL**  
3   **EQUIPMENT MANUFACTUR-**  
4   **ERS**

5   **SEC. 201. CREDIT FOR PRODUCING VEHICLES FUELED BY**  
6                   **NATURAL GAS OR LIQUIFIED NATURAL GAS.**

7       (a) IN GENERAL.—Subpart D of part IV of sub-  
8 chapter A of chapter 1 (relating to business-related cred-  
9 its) is amended by inserting after section 45R the fol-  
10 lowing new section:

11   **“SEC. 45S. PRODUCTION OF VEHICLES FUELED BY NAT-**  
12                   **URAL GAS OR LIQUIFIED NATURAL GAS.**

13       “(a) IN GENERAL.—For purposes of section 38, in  
14 the case of a taxpayer who is an original manufacturer  
15 of natural gas vehicles, the natural gas vehicle credit de-  
16 termined under this section for any taxable year with re-  
17 spect to each eligible natural gas vehicle produced by the  
18 taxpayer during such year is an amount equal to the lesser  
19 of—

20               “(1) 10 percent of the manufacturer’s basis in  
21 such vehicle, or

22               “(2) \$4,000.

23       “(b) AGGREGATE CREDIT ALLOWED.—The aggre-  
24 gate amount of credit allowed under subsection (a) with  
25 respect to a taxpayer for any taxable year shall not exceed

1 \$200,000,000 reduced by the amount of the credit allowed  
2 under subsection (a) to the taxpayer (or any predecessor)  
3 for all prior taxable years.

4       “(c) DEFINITIONS.—For the purposes of this sec-  
5 tion—

6           “(1) ELIGIBLE NATURAL GAS VEHICLE.—The  
7 term ‘eligible natural gas vehicle’ means a motor ve-  
8 hicle (as defined in section 30B(h)(1)) that is capa-  
9 ble of operating on natural gas and is described in  
10 30B(e)(4)(A).

11         “(2) MANUFACTURER.—The term ‘manufac-  
12 turer’ has the meaning given such term in regula-  
13 tions prescribed by the Administrator of the Envi-  
14 ronmental Protection Agency for purposes of title II  
15 of the Clean Air Act (42 U.S.C. 7521 et seq.).

16         “(d) SPECIAL RULES.—For purposes of this sec-  
17 tion—

18           “(1) IN GENERAL.—Rules similar to the rules  
19 of subsections (c), (d), and (e) of section 52 shall  
20 apply.

21           “(2) CONTROLLED GROUPS.—

22           “(A) IN GENERAL.—All persons treated as  
23 a single employer under subsection (a) or (b) of  
24 section 52 or subsection (m) or (o) of section  
25 414 shall be treated as a single producer.

1                 “(B) INCLUSION OF FOREIGN CORPORATIONS.—For purposes of subparagraph (A), in  
2 applying subsections (a) and (b) of section 52  
3 to this section, section 1563 shall be applied  
4 without regard to subsection (b)(2)(C) thereof.

5                 “(C) VERIFICATION.—No amount shall be  
6 allowed as a credit under subsection (a) with  
7 respect to which the taxpayer has not submitted  
8 such information or certification as the Sec-  
9 retary, in consultation with the Secretary of  
10 Energy, determines necessary.

11                 “(e) TERMINATION.—This section shall not apply to  
12 any vehicle produced after December 31, 2018.”.

13                 (b) CREDIT TO BE PART OF BUSINESS CREDIT.—  
14 Section 38(b) is amended by striking “plus” at the end  
15 of paragraph (35), by striking the period at the end of  
16 paragraph (36) and inserting “, plus”, and by adding at  
17 the end the following:

18                 “(37) the natural gas vehicle credit determined  
19 under section 45R(a).”.

20                 (c) CONFORMING AMENDMENT.—The table of sec-  
21 tions for subpart D of part IV of subchapter A of chapter  
22 1 is amended by inserting after the item relating to section  
23 45R the following new item:

“Sec. 45S. Production of vehicles fueled by natural gas or liquefied natural  
gas.”.

1       (d) EFFECTIVE DATE.—The amendments made by  
2 this section shall apply to vehicles produced after Decem-  
3 ber 31, 2013.

4 **SEC. 202. ADDITIONAL VEHICLES QUALIFYING FOR THE AD-**  
5 **VANCED TECHNOLOGY VEHICLES MANUFAC-**  
6 **TURING INCENTIVE PROGRAM.**

7       (a) IN GENERAL.—Notwithstanding any other provi-  
8 sion of law, a covered vehicle (as defined in subsection (b))  
9 shall be considered an advanced technology vehicle for  
10 purposes of the advanced technology vehicle incentive pro-  
11 gram established under section 136 of the Energy Inde-  
12 pendence and Security Act of 2007 (42 U.S.C. 17013),  
13 and manufacturers and component suppliers of such cov-  
14 ered vehicles shall be eligible for an award under such sec-  
15 tion.

16       (b) DEFINITIONS.—As used in this section—

17           (1) the term “covered vehicle” means a light-  
18 duty vehicle or a medium-duty or heavy-duty truck  
19 or bus that is only capable of operating on com-  
20 pressed or liquefied natural gas, a bi-fueled motor  
21 vehicle that is capable of achieving a minimum of 85  
22 percent of its total range with compressed or lique-  
23 fied natural gas, or a dual-fuel vehicle that operates  
24 on a mixture of natural gas and gasoline or diesel

1       fuel but is not capable of operating on a mixture of  
2       less than 75 percent natural gas;

3               (2) the term “bi-fuel vehicle” means a vehicle  
4       that is capable of operating on compressed or lique-  
5       fied natural gas and gasoline or diesel fuel; and

6               (3) the term “dual-fuel vehicle” means a vehicle  
7       that is capable of operating on a mixture of com-  
8       pressed or liquefied natural gas and gasoline or die-  
9       sel fuel.

10 **TITLE III—INCENTIVIZE THE IN-**  
11 **STALLATION OF NATURAL**  
12 **GAS FUEL PUMPS**

13 **SEC. 301. EXTENSION AND MODIFICATION OF ALTER-**  
14 **NATIVE FUEL VEHICLE REFUELING PROP-**  
15 **ERTY CREDIT.**

16       (a) IN GENERAL.—Subsection (g) of section 30C is  
17 amended by striking “and” at the end of paragraph (1),  
18 by redesignating paragraph (2) as paragraph (3), and by  
19 inserting after paragraph (1) the following new paragraph:

20               “(2) in the case of property relating to com-  
21       pressed or liquefied natural gas, after December 31,  
22       2018, and”.

23       (b) EFFECTIVE DATE.—The amendments made by  
24 subsection (a) shall apply to property placed in service  
25 after the date of the enactment of this Act.

## 1 SEC. 302. INCREASE IN CREDIT FOR CERTAIN ALTER-

## 2 NATIVE FUEL VEHICLE REFUELING PROP-

## 3 ERTIES.

4 (a) IN GENERAL.—Subsection (b) of section 30C is  
5 amended to read as follows:

6 “(b) LIMITATION.—The credit allowed under sub-  
7 section (a) with respect to all qualified alternative fuel ve-  
8 hicle refueling property placed in service by the taxpayer  
9 during the taxable year at a location shall not exceed—

10           “(1) except as provided in paragraph (2),  
11           \$30,000 in the case of a property of a character  
12           subject to an allowance for depreciation,

13           “(2) in the case of compressed natural gas  
14           property and liquefied natural gas property which is  
15           of a character subject to an allowance for deprecia-  
16           tion, the lesser of—

17           “(A) 50 percent of such cost, or

18           “(B) \$100,000, and

19           “(3) \$2,000 in any other case.”.

20 (b) EFFECTIVE DATE.—The amendment made by  
21 this section shall apply to property placed in service in  
22 taxable years beginning after December 31, 2013.

1                   **TITLE IV—NATURAL GAS**  
2                   **VEHICLES**

3                   **SEC. 401. GRANTS FOR NATURAL GAS VEHICLES RESEARCH**  
4                   **AND DEVELOPMENT.**

5                   (a) RESEARCH, DEVELOPMENT AND DEMONSTRA-  
6 TION PROGRAMS.—The Secretary shall provide funding to  
7 improve the performance and efficiency and integration of  
8 natural gas powered motor vehicles and heavy-duty on-  
9 road vehicles as part of any programs funded pursuant  
10 to section 911 of the Energy Policy Act of 2005 (42  
11 U.S.C. 16191) and also with respect to funding for heavy-  
12 duty engines pursuant to section 754 of the Energy Policy  
13 Act of 2005 (42 U.S.C. 16102).

14                  (b) IN GENERAL.—The Secretary of Energy may  
15 make grants to original equipment manufacturers of light-  
16 duty and heavy-duty natural gas vehicles for the develop-  
17 ment of engines that reduce emissions, improve perform-  
18 ance and efficiency, and lower cost.

19                  **SEC. 402. SENSE OF THE CONGRESS REGARDING EPA CER-**  
20                  **TIFICATION OF NGV RETROFIT KITS.**

21                  It is the sense of the Congress that the Environ-  
22 mental Protection Agency should streamline the process  
23 for certification of natural gas vehicle retrofit kits to pro-  
24 mote energy security while still fulfilling the mission of  
25 the Clean Air Act.

1   **SEC. 403. SENSE OF THE CONGRESS REGARDING EPA AND**  
2                 **NHTSA REGULATION OF MEDIUM- AND**  
3                 **HEAVY-DUTY ENGINES AND VEHICLES.**

4       It is the sense of the Congress that the Environmental  
5   Protection Agency new fuel economy and green-  
6   house gas emission regulations for medium- and heavy-  
7   duty engines and vehicles should provide incentives to en-  
8   courage and reward manufacturers who produce natural  
9   gas powered vehicles. Such regulations should take into  
10   account the petroleum reductions provided by such vehi-  
11   cles and also quantify all greenhouse gas emission reduc-  
12   tions provided by natural gas powered engines and vehi-  
13   cles.

14   **SEC. 404. AMENDMENT TO SECTION 508 OF THE ENERGY**  
15                 **POLICY ACT OF 1992.**

16       (a) REPOWER OR CONVERTED ALTERNATIVE  
17   FUELED VEHICLES DEFINED.—Subsection (a) of section  
18   508 of the Energy Policy Act of 1992 (42 U.S.C. 13258)  
19   is amended by adding at the end the following new para-  
20   graph:

21                 “(6) REPOWERED OR CONVERTED.—The term  
22   ‘repowered or converted’ means modified with a cer-  
23   tified engine or aftermarket system so that the vehi-  
24   cle is capable of operating on an alternative fuel.”.

25       (b) ALLOCATION OF CREDITS.—Subsection (b) of  
26   section 508 of the Energy Policy Act of 1992 (42 U.S.C.

1 13258) is amended by adding at the end the following new  
2 paragraph:

3                 “(3) REPOWERED OR CONVERTED VEHICLES.—  
4                 Not later than January 1, 2018, the Secretary shall  
5                 allocate credits to fleets that repower or convert an  
6                 existing vehicle so that it is capable of operating on  
7                 an alternative fuel. In the case of any medium-duty  
8                 or heavy-duty vehicle that is repowered or converted,  
9                 the Secretary shall allocate additional credits for  
10                such vehicles if the Secretary determines that such  
11                vehicles displace more petroleum than light-duty al-  
12                ternative fueled vehicles. The Secretary shall include  
13                a requirement that such vehicles remain in the fleet  
14                for a period of no less than 2 years in order to con-  
15                tinue to qualify for credit. The Secretary also shall  
16                extend the flexibility afforded in this section to Fed-  
17                eral fleets subject to the purchase provisions con-  
18                tained in section 303 of this Act.”.

